

Appendices

Appendix A: Strategies for improved water allocation in overbudgeted basins

Strategies for adapting to water supply stress are listed in general categories below, along with specific examples of their implementation in the CCPCUA.

Creation of new local institutions

The CCPCUA rules have resulted in the creation of at least two new units of government to address CCPCUA prescribed groundwater reductions.

The Neuse Regional Water and Sewer Authority (NRWASA), a new drinking water wholesale utility, was created to construct a new surface water treatment plant and to sell treated water to eight existing local governments/utilities throughout the region. The volume of water sold to the member utilities would cover the entire cutback faced by each utility in 2018 (75% or 30% cutbacks). NRWASA has focused its energies over the past five years developing its institutional identity (crafting bylaws, developing interlocal agreements, changing memberships, etc.) and constructing a large new surface water treatment facility. During this time, membership within NRWASA changed as local governments/utilities opted in or opted out of the original agreements. The Authority's work has been bolstered by the receipt of millions of dollars in subsidized federal and state loans and grants, including USDA and SRF loans and grants from the Tobacco Trust Fund and the NC Rural Center. The creation of the new authority

cost over \$140 million as of 2008. The treatment plant is expected to be operational in early fall 2008.

The Martin County Regional Water and Sewer Authority (MCRWASA) was recently created by Martin County, Williamston, and Robersonville to play a similar role in Martin County. To date, the authority has played primarily a planning role with the goal of constructing a new treatment facility, but no assets are currently owned under this new entity. MCRWASA will eventually supply its member entities with sufficient water to cover the cutbacks they face in the future.

The creation of a new water and sewer authority is relatively rare in North Carolina, with only approximately ten to fifteen having been created since the authorizing statutes were first written. The creation of a new authority normally results in existing local governments transferring significant assets and management authority to a new separate unit of government in which they exercise a reduced level of control through the appointment of directors on the governing board. This change in the level of local control is very significant since maintaining local control is often cited as one of the most important roadblocks to creating interlocal partnerships. While many documents and leaders cite the numerous benefits of creating larger regional single-purpose water utilities, many if not most of the